

**USACE FINANCE CENTER
BIWEEKLY REPORT
PERIOD ENDING 27 MAY 2005**

I. CEFMS:

A. We are preparing for Phase I of the Revolving Fund redesign and other Standard General Ledger changes that are necessary for USACE to be CFO compliant. This is a team effort that is the number one priority for this office. Among the changes are:

- We tested the breakout of the general ledger correlations for normal disbursements, Accounting Phase K1D in phase I of the Revolving Fund Redesign. Previously, there was no distinction between appropriation types. Now approp type 'R' will be separated from the other appropriation types.
- We tested the accounts payable portion of the Phase I Revolving Fund general ledger correlation changes for Trust Fund Accounts. These new correlation entries removed the 3100 and 5700 series of general ledger accounts from the updates.
- We created and verified the accuracy of labor general ledger scripts for new correlations. The labor distribution program has been coded for the new changes and testing is underway.
- We developed non-labor accounts payable general ledger correlations for trust funds and special funds which do not update 3100/5700 general ledger accounts. We also developed a test plan and began testing these new correlations. We plan to field these correlations on 1 Oct 05. Trust funds and special funds are not appropriated and should not update these general ledger accounts. Currently, when preparing financial statements, the CFO team must adjust entries to remove trust fund and special fund updates. These adjusting entries are scrutinized by the DoD IG.
- We completed the accounts payable transaction testing of Special Funds in preparation for the move of all new general ledger correlations that have been added for the accounting treatment of Special Funds. We also tested all regular military and civil appropriations that use existing correlations and updated the correlations as necessary.

B. We corrected a problem in the nightly disbursing CRON run for several USACE activities where various disbursing programs would not execute in the stack. UFC Disbursing has been running these specified jobs from the menu every morning.

C. We changed the credit card transaction program in CEFMS. Prior to the changes, if a credit card transaction required technical approval, but was not technically approved prior to funds approval/certification and the transaction was fully de-obligated, the record showed up on the technical approval screen and could not be approved or deleted. We changed the process so that if an obligation is fully de-obligated without prior technical approval, the technical approval record can be deleted.

D. According to a problem report, when users disapproved an amendment on a Blanket Purchase Agreement, the obligation amount in obligation tables was not being changed back to the amount before the amendment was created. This process caused an error on reconciliation reports. We changed CEFMS so that when an amendment is disapproved, all records that were updated by the amendment are changed back to the status prior to the amendment.

E. We continue to respond to customer inquiries regarding the CEFMS labor cross charge process. We researched labor/payroll data and answered questions for in-house labor and time and attendance. We also worked with problem report points of contact in resolving problems for specific labor issues and submitted scripts for execution, when warranted.

F. We are researching IPAC charges coming in from the various disbursing offices in Iraq. Most of the charges appear to be Transactions by Other (TBO) charges and are not billings from a reimbursable order that would have been issued from the Gulf Region Division. Inquiries to the Project and Contracting Office (PCO) have not been answered.

G. We revised the Manpower Users Manual and made it available on the CEFMS documentation web site, replacing an earlier version from May 2004. The revised manual includes descriptions of the new Cross Charge Labor reports and the Civil CMOD report. It also includes a more detailed explanation of how the Position Crosswalk is used to determine the Position Type for each employee (e.g.; Full Time Permanent, Part Time Temporary, etc) and an expanded section describing all of the reports in the CEFMS Manpower Module.

H. We updated the Resource Plan Users Manual to reflect changes made to the Resource Plan screen and to provide additional information on how to use the screens. Although approved resource plans are created automatically in CEFMS for P2 projects and for Revolving Fund accounts established by approving the Operating Budget, users still must create and approve Resource Plans for reimbursable orders accepted in the Revolving Fund, and for projects funded by Plant Replacement and Improvement Program (PRIP).

I. At the request of HQUSACE Manpower (CERM-M), we revised the Civil CMOD report to include a summary section, which represents the total of all the previous sections in the report. In addition, we added the Civil CMOD to an automatic month-end report stack so that it is generated and submitted to CEEMIS automatically at the end of each month. This will ensure that data from all USACE activities is available for HQUSACE review in CEEMIS each month.

J. We changed the Operating Budget Module so that when users Calculate Overhead Rates and create budget entries for overhead costs, the program will run in the background instead of tying up the CEFMS screen. Previously, users could not exit the Calculate Rates screen until the process was completed, which sometimes took up to 30 minutes for calculating and creating budget records for G&A Overhead for a large district. Now, users will be able to perform other functions in CEFMS or other tasks on their computers while the Calculate Rates Program runs in the background.

K. We developed a process to permit the five types of cost share general ledger versus subsidiary record imbalances to be identified at the database level. We use this process in the cost share automated withdrawal program to preclude withdrawals from sponsor advance accounts if a cost share imbalance exists, and to advise the cost share responsible employee and alternate responsible employee to take corrective action. Additionally, this process permits us to run queries at the database level to detect cost share imbalances across all USACE databases. Development of this process permitted us to identify and correct 75 imbalances on 25 USACE databases and to make programming changes to correct the causes of these imbalances prior to the initial execution of the cost share automated withdrawal program.

L. We reconfigured the funding account completion program so that it runs at all USACE activities and satisfies DoD IG findings. This program is a part of the systems security of CEFMS and is required to be executed. We instituted new procedures so that USACE activities no longer have the capability to disable its execution.

M. We modified the Cost Share Proportionate Share Report programming. This change will now provide the HQUSACE (CERM-F) with weekly SQL based USACE and Sponsor Cost Share Proportionate Share reports. With these reports, the CERM-F can monitor proportionate share requirements.

N. We corrected the fiscal station number on all active Corps Customer Orders which cited fiscal station 525700. Fiscal Station 525700 was closing and thus had to be changed to fiscal station 503000.

O. We modified the purchase requests program to check available funds for P2 projects to ensure funds are greater than or equal to zero. This will allow zero dollar change amendments to be made to projects that have the P2 budget funds utilized. Also, purchase request code was changed to use the appropriation class code instead of appropriation type code when validating work category codes, work category element codes, and work break elements.

P. On 16 May 05, users of the Facilities and Equipment Maintenance System (FEMS) at Walla Walla District began testing the recent CEFMS changes, prior to release to all USACE activities. Two views were created in CEFMS to assist in creating charge codes within FEMS, and Project Management Business Process (PMBP) project numbers were added to the FEMS purchase request tables. Several other fields were lengthened in both FEMS and CEFMS tables which will allow for more detailed information to be passed between the systems.

Q. We made revisions to the asset place in service screens allowing asset managers to select the most accurate service life, in accordance with current CERM-F policy. All users can now access the useful life table which identifies the service lives from the DOD-FMR and service lives for those assets that are unique to USACE. Asset managers will determine the service lives for multi-purpose with power assets from the same tables used for all assets, but they will be able to query the multi-purpose property table if more detailed information is required.

R. We modified the Construction in Process Status Report (cipstatr) to identify when the Construction in Progress (CIP) costs had been placed in service, by placing an 'S' in the status column. Previously, the status displayed was 'D' for dormant on those assets placed in service if there had been no activity for 3 months. This change will help users determine the most accurate status of current/previous CIP balances.

S. We developed a new foreign currency interest paid and discounts lost report. The report id is 'ipdlldetfc'. This report is used by management and provides detailed information of all interest paid and discounts lost. We also made a correction to the military and civil interest detail reports, report id 'ipdlldet', to include processing of cost transfers. The report had duplicated amounts in the invoice column.

T. We created a web page that reflects the daily transaction loaded into CEEMIS. This is a very useful tool for monitoring the daily load. Along with this web page, we also created an error report that shows a detailed error message of why a USACE activity did not load. All of these processes assist the user in making the proper adjustments needed to ensure DFAS receives all daily transactions in a timely manner.

U. We modified the Military Fund Cash reports, delmr302 and delmr110, due to a change of fiscal station numbers. They had been reporting as 36B's but were changed to 34A's, per instructions from DFAS.

V. We completed work requested by HQUSACE for the Unapproved Pay Estimate report to be emailed to each USACE activity's Finance & Accounting Officer, as well as to HQUSACE. The emailed report is sent when ENG93s have been entered into CEFMS but not approved by a Contracting Officer Representative (COR) for payment, and the payment is consequently in danger of incurring late payment interest penalties. An additional request was made from HQUSACE for the vendor's name to be added to report. USACE activities requested the ability to run the report by the invoice creator id. Both requests have been completed and fielded.

W. We completed the clean-up of all discrepancies between the public and government general ledger payables. All old occurrences of discrepancies for payables that were created as public but liquidated from government (or the reverse) have been corrected. Any new occurrences are identified on reconciliation reports that have been revised to monitor this situation closely. When found, steps are taken to identify the source/cause of discrepancies and corrections are made to data, and code if necessary. As of April 2005, the Accounts Payable universe files generated for the DoD IG auditors showed no imbalances between the public and government files.

II. PROBLEM REPORTS/IMBALANCES:

A. Open problem report inventory:

	<u>This Report</u>	<u>Last Report</u>
Total Problems	754	746
Priority #1 Problems	69	67

Received 179 new problem reports and completed 171 problem reports.

B. Database Imbalances on our 62 Production Sites:

<u># of Imbalances</u>	<u>This Report</u>	<u>Last Report</u>
None	56	55
One	3	1
Two	0	3
Three	1	2
Four	0	0
Five	0	0
Six	1	1
Seven	1	0

III. ACCOUNTING OPERATIONS:

A. NUMBER AND LOCATION OF ONBOARD PERSONNEL

<u>LOCATION</u>	<u>ONBOARD</u>
MILLINGTON:	230
HUNTSVILLE:	24
USACE HQ:	1
DA Interns:	3
TOTAL:	258

B. DISBURSING WORKLOAD DATA

PAYMENT	CURRENT MONTH May 01-24	YEAR TO DATE Oct 01-May 24
CHECK:		
CHECKS ISSUED	9,255	90,955
PERCENT OF TOTAL	10%	11%
DOLLAR AMOUNT	\$64,117,165	\$786,762,800
EFT:		
TRANSFERS MADE	46,529	386,171
PERCENT OF TOTAL	90%	89%
DOLLAR AMOUNT	\$1,517,679,360	\$12,058,053,970

*percentages adjusted for utility checks which do not have to participate in EFT.

IV. OTHER UFC ISSUES:

A. On 23 May, we submitted the Annual Assurance Statement on management controls to CERM. As a basis for evaluating management controls, we performed all applicable mandatory FY05 management control evaluations, utilizing related management control checklists. Thirty-six management control checklist reviews were performed. These reviews included all applicable current Chief Financial Officer Act issues. Our assessment was also based on overall knowledge of these management controls and the results of numerous audits of the UFC operations by the DoD Inspector General, the Army Audit Agency, and the Government Accountability Office.

B. The USACE Finance Center (UFC) has completed preparation of its operating budget for the next fiscal year. We have also developed the estimated UFC support costs to be billed to each USACE activity, based on FY06 budget amounts and workload statistics for each supported activity for the period of May 2004 through April 2005. These amounts will become the basis for UFC input to the FY06 Consolidated Command Guidance (CCG).

C. The UFC recently completed a summary report for the first quarter FY05 (October through December 2004) TDY post audits. Because of extensive travel resulting from the 2004 hurricane season, the number of vouchers audited was much larger than normal. Of the 2180 vouchers audited, 604 (27.7%) had a monetary error or errors. This compares to a fourth quarter FY04 error rate of 26.8%. As has been the case in the past, due diligence by travel voucher approving officials would have identified many of the errors prior to payment. Eleven sites - Rock Island District, New England District, Los Angeles District, St. Louis District, Louisville District, Wilmington District, Tulsa District, USACE Headquarters, HECSA, Water Resource Support Center, and the 249th Engineering Battalion - did not provide audit results. Beginning with fourth quarter FY05, the UFC TDY audit report will be provided to CERM for review.

D. The Chief of our Information Management Division participated in the quarterly CEEIS Configuration Control Board meeting 18-19 May. The meeting was in Napa California and was hosted by the South Pacific Division. A number of topics were discussed at the meeting including: Websense, Groove, the new FTP Server, GRD, NIPRNET, and Active Directory. Also the outstanding Engineering Change Proposals were discussed and votes were taken on some. The new USACE IAPM, Joy Renfro, provided a briefing on Information Assurance.

E. On 24 May 05, CECI hosted a meeting at HQUSACE on the Continuing Government Organization (CGO) for IM/IT. The CGO will be the organization that will govern the service provider selected by the competitive sourcing process. The CGO will exist whether the MEO or a vendor is selected. Some of the duties will be command and control, quality assurance, and information assurance. Details of grade structure and number of employees have not been finalized and therefore were not discussed.

F. The expected award date for the new National Recreation Reservation Service (NRRS) contract is 16 Jun 05. Once the contract is awarded, the intra-agency financial management team will be gearing up to address the one Agency Location Code (ALC) vs multiple ALCs issue for receiving/recording revenue. It appears that the National Park Service is still strongly advocating multiple ALCs despite their associated excessive costs.

G. As of the end of Mar 05, USACE had forty-one water storage contract debts totaling \$10.4M that are older than two years. UFC is currently working with HQUSACE and DFAS to determine whether the debt must be considered for write off based on the 28 Apr 05 OSD letter, Subject: Policy for Write-off of Aged Accounts Receivable Due from the Public. Also in question are debts that involve admiralty claims. By statute, USACE has three years to collect on

admiralty claims. We are seeking guidance as to whether these type debts are exempt from the two year write-off policy.

H. The UFC Travel Division is currently processing PCS and RITA vouchers received on 19 May 05. They are also working with Linda Stoutenburg on the new policy that will be sent to the field on Transportation Account Codes (TAC) procedures on PCS orders for Household Goods (HHG) and temporary storage shipments to ensure UFC requirements are met.

I. The Travel Division is also working closely with Transatlantic Programs Center (TAC) on problems/issues with travelers on TDY orders to Iraq that are later changed to temporary change of station (TCS). Some of the issues being addressed are authorizations that are approved but not supported by regulation, insufficient supporting documentation and the Travel Approving Official approval of vouchers without authorization in the orders.

J. Seven DoD IG Auditors from the Indianapolis and Arlington offices visited the UFC on 9-12 May. The purpose of their visit was to introduce the new audit team members for statement compilation to our processes. They also reviewed all journal vouchers over \$10 million from 2nd quarter FY2005. Preliminary comments from their review were positive. The audit team plans to return to review yearend statements and journal vouchers.

K. The CFO team responded to a data call from Office of the Secretary of Defense Comptroller for detailed data related to amounts recorded in accounts 7190 (Other Gains) and 7290 (Other Losses). An explanation was provided for each Defense Departmental Reporting System (DDRS) program group.

L. We also replied to requests from Secretary of Defense Comptroller for information on certification of Federal Agencies Centralized Trial Balance System (FACTS II) budgetary reporting and a breakdown of delinquent accounts receivable from Federal Emergency Management Agency.

M. We have started imaging government order acceptance documents from other Defense and Federal agencies by all USACE activities. The imaged documents will be used as support in the quarterly intra-governmental reconciliation and CFO elimination process.